



# Petersburg Medical Center

103 Fram Street  
PO Box 589  
Petersburg, AK 99833

Phone: 907-772-4291  
Fax: 907-772-3085

## BOARD MEETING A g e n d a

DATE: Thursday, June 24<sup>th</sup>, 2021  
TIME: 5:00 p.m.  
LOCATION: Zoom

	<u>Lead</u>	<u>Handout</u>
I. CALL TO ORDER	<i>Chair</i>	<i>N/A</i>
II. APPROVAL OF THE AGENDA	<i>Chair</i>	<i>in packet</i>
III. APPROVAL OF BOARD MINUTES – May 27 <sup>th</sup> , 2021	<i>Chair</i>	<i>in packet</i>
IV. VISITOR COMMENTS	<i>Chair</i>	<i>N/A</i>
V. BOARD MEMBER COMMENTS	<i>Chair</i>	<i>N/A</i>
VI. REPORTS		
A. Swing Bed Management <i>Action required: Informational only</i>	<i>E. Hart</i>	<i>in packet</i>
B. Human Resources <i>Action required: Informational only</i>	<i>C. Newman</i>	<i>in packet</i>
C. Quality & Infection Prevention <i>Action required: Informational only</i>	<i>L. Bacom</i>	<i>at meeting</i>
D. Executive Summary <i>Action required: Informational only</i>	<i>P. Hofstetter</i>	<i>in packet</i>
E. Financial <i>Action required: Informational only</i>	<i>R. Tejera</i>	<i>in packet</i>
VII. UNFINISHED BUSINESS		
VIII. NEW BUSINESS		
A. Budget Presentation <i>Action required: Informational only</i>	<i>C. Brandt</i>	<i>at meeting</i>
B. Operating Budget <i>Action required: Approval</i> <i>Motion: Petersburg Medical Center's Board of Directors approves the final operating budget for FY 2022 as presented.</i>	<i>R. Tejera</i>	<i>at meeting</i>

C. Capital Budget

R. Tejera

at meeting

*Action required: Approval*

*Motion: Petersburg Medical Center's Board of Directors approves the final capital budget for FY 2022 as presented.*

IX. EXECUTIVE SESSION

*By motion, the Board will enter into Executive Session to consider medical staff reappointments.*

X. NEXT MEETING

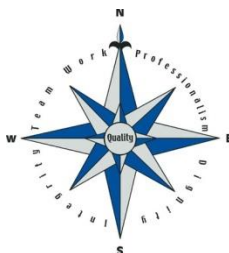
XI. ADJOURNMENT

# Petersburg Medical Center

PO Box 589

Petersburg, Alaska 99833

Phone: (907) 772-4291 | Fax: (907) 772-3085



**Meeting:** Medical Center Board Meeting

**Date:** May 27<sup>th</sup>, 2021 **Time:** 5:00 p.m.

**Board Members Present:** Marlene Cushing, Jerod Cook, Kathi Riemer, Cindi Lagoudakis, Joe Stratman, George Doyle (members attended via Zoom)

**Board Members Absent:** Jim Roberts (excused)

- I. **CALL TO ORDER:** Member Cook called the meeting to order at 5:01 p.m.
- II. **APPROVAL OF THE AGENDA:** Member Cushing made a motion to amend the agenda to add discussion of a legal issue under executive session. Motion seconded by Member Riemer. Motion passed unanimously. Member Stratman made a motion to approve the agenda as amended. Motion seconded by Member Riemer. Motion passed unanimously.
- III. **APPROVAL OF BOARD MINUTES:** Member Lagoudakis made a motion to approve the minutes from April 22<sup>nd</sup>, 2021 as presented. Motion seconded by Member Riemer. Motion passed unanimously.
- IV. **VISITOR COMMENTS:** None
- V. **BOARD MEMBER COMMENTS:** None
- VI. **REPORTS:**
  - A. **Chief of Staff.** Dr. Burt was not in attendance but her written report (see copy) was available for review.
  - B. **Clinic.** K. Zweifel was available to answer questions related to her written report (see copy).
  - C. **Dietitian.** K. Zweifel was available to answer questions related to her written report (see copy).
  - D. **Dietary.** L. Wickersham was not in attendance, but her written report (see copy) was available for review. There was a discussion regarding open positions.
  - E. **Quality & Infection Prevention.** L. Bacom reviewed her written report (see copy).
  - F. **Executive Summary.** P. Hofstetter reviewed highlights from his written report (see copy).
  - G. **Financial.** C. Brandt presented an overview of the financial package (see copy) starting with the statement of revenues and expenses. She then discussed the balance sheet and reviewed

the statement of cash flows. Finally, she provided an update on the plan for budgeting and auditing.

**VII. UNFINISHED BUSINESS**

**VIII. NEW BUSINESS**

**IX. EXECUTIVE SESSION** Member Stratman made a motion to enter Executive Session to consider medical staff reappointments, for a legal update and to discuss a legal issue. Motion seconded by Member Lagoudakis. Motion passed unanimously. Board entered Executive Session at 5:45 pm. Member Riemer made a motion to come out of Executive Session. Motion seconded by Member Doyle. Motion passed unanimously. Board came out of Executive Session at 6:45 pm. Member Lagoudakis made a motion to reappoint the following to medical staff: Jennifer Hyer, MD; Kayla Luhrs, MD and Scott Chatterley. Motion seconded by Member Riemer. Motion passed unanimously.

**X. NEXT MEETING** The next regularly scheduled meeting was set for Thursday, June 24<sup>th</sup>, 2021 at 5:00 p.m.

**XI. ADJOURNMENT** Member Stratman made a motion to adjourn. Motion was seconded by Member Cushing. Motion passed unanimously. The meeting adjourned at 6:49 p.m.

Respectfully submitted,

---

Marlene Cushing, Board Secretary

**Staffing Overview:** The skilled nursing department is staffed by RN's in the acute care hospital, as our skilled nursing beds are all swing beds on the hospital side. PMC typically has traveling staff nurses working in acute care and long term care, currently we have 5 travelers of 14 floor nurses, approximately 36% of the workforce, with one RN working full time in the skilled/acute department. PMC has lost 3-4 staff RN's since October 2020. Covid presented issues with hiring travelers, as the traveling agencies were also short staffed. After being short staffed for 6 months, staffing has been relatively stable since March 2021.

**Update:** The skilled nursing department has stayed busy for the past 3 quarters, with an average of 2+ skilled nursing residents daily since October, 2020. 2021 has seen a higher census than 2020, apart from March, with only 14 skilled resident days. We also had 75 ICF-SB (long term care level of care) days March through May, 2021.

**Looking Forward:** I will continue to carefully screen skilled patients for appropriateness for placement, as well as a firm discharge plan. The skilled department has been working collaboratively with home health for years, and we are excited to have additional resources with a recently hired social worker. PMC skilled nursing sees many patients who would likely qualify for LTC level of care, but without a payor source. Working jointly with the home health social worker, we will be able to identify those at risk prior to an urgent need.

The skilled nursing department will be working with the PMC quality manager to launch of Plan-Do-Study-Act to improve communication between the rehab and skilled departments to better serve the patient undergoing rehab with their plan of care.

**Challenges:** When staffing is a challenge for PMC acute care, it is also a challenge for skilled care, and it has been an ongoing challenge. Discharge planning is challenging for those with minimal family support as there are very few community options for support services at home, Cornerstone is the only agency in town, which is also short staffed, and which many patients cannot afford. Home health is an option for some patients who fit the criteria of having ongoing skilled needs. Recently during a high census week, we had every room full, and needed to move skilled patients to double rooms with roommates. We will be utilizing our double rooms to capacity for appropriate (non-infectious) skilled patients when necessary, in order to keep the single rooms available for acute care patients.

**Accomplishments:** We have had many different skilled patients in swing bed over the course of the Covid pandemic. No one contracted Covid from a PMC skilled swing bed stay. The staff did an excellent job of practicing infection control. We have had many successful discharges, and few re-admissions. We have had very few falls in the swing bed department over the past year, and no major injuries.

**Opportunities:** We have the opportunity to improve communication among departments and will be working toward that goal. We are looking to increase the activities offered in skilled now that LTC staff can cross over to the swing bed side.

Respectfully,



Elizabeth Hart RN

Skilled Care Manager



# Petersburg Medical Center

Human Resources – June 11<sup>th</sup>, 2021

---

## Staffing Overview

The Human Resources department is a department of one. I (Cindy Newman) work full time. Chad Wright is my backup for Personnel related issues and payroll. Devynn Johnson is handling manpower for the Pandemic. Both assist with interviews being interview panel members or HR if I'm unavailable.

## Review and Update

From January - June 2021: 17 New Employees

- 1 Patient Navigator
- 2 Rehab Tech
- 1 Dietary Assistant
- 1 Medical Technician (unlicensed)
- 1 Home Health CNA Trainee
- 1 AP Clerk
- 1 Medical Assistant
- 1 Ancillary Admissions / Ward Clerk
- 1 Behavior Health Clinician
- 7 ER Hire

We've had 22 terminations.

- 1 Laboratory Assistant
- 1 Home Health Manager
- 1 Home Health CNA
- 2 Registered Nurse
- 1 Physical Therapist
- 1 Activities Coordinator
- 2 Certified Nurse Assistant
- 2 Activities Assistant
- 1 Dietary Assistant
- 3 Environmental Services (Housekeeper)
- 1 Rehab Tech
- 6 ER hire

Travelers – we have/had 17 travelers

- 2 Certified Nurse Assistant
- 2 Home Health RNs
- 3 Registered Nurse
- 5 Licensed Practical Nurse
- 1 Occupational Therapist
- 4 Physical Therapist

Students

- 4 University of Washington Med Students

Retirements / Farewells

- 1 Retirement
  - o Carleen Lyons, EVS Housekeeper, for 27 years, retired June 1<sup>st</sup>

Positions Open (13 Positions)

- Activities Assistant
- Assistant Dietary Manager
- Clinic Admissions / Reception
- Dietary Assistant
- Dietitian
- Environmental Services (Housekeeping / Laundry)
- Human Resources Tech (PT)
- Medical Technologist
- On-the-Job Training for CNA
- Physical Therapist
- Speech / Language Pathologist
- Registered Nurse – Home Health
- Steam Table Prep / Aide

*Guiding Values: Integrity - Dignity - Professionalism - Team Work - Quality*

## Looking Forward

- Open Enrollment in June (July effective date) for Premera & Unum
- New part time Human Resources Tech, interviews in July
- Audit of payroll in August

## Challenges

- In April, I requested a part time employee, 25 hours per week, Human Resources Tech be hired. PMC averages 150+ employees every payroll. The request was approved by Phil and put into the budget. We have two highly qualified applicants that will be interviewed in July once I return from vacation.
- Submission of the PBJ (staffing report on LTC) on long term care staffing is a monthly requirement. Chad handles this report.
- We currently have 13 apartments that we are renting with the upkeep, cleaning & scheduling for travel staff & interim housing. We've also needed to utilize B&Bs at times if personnel overlap.
- We have 7 cars that Maintenance keeps running for travelers & PMC staff use. One is not in use due to studded tires needing to be changed (waiting for an appointment at Petersburg Motors)
- Recruitment. Working on recruiting for all positions and finding the right fit is challenging and difficult. We have a lot of positions open
- Turnover. Our turnover rate is of concern. Departments are short staffed & employee burnout or fatigue is a problem. We recently hired Donald Sperl to assist us with apartment cleaning (when travel staff leave) and Papkes Auto Detail to clean the PMC cars to take the burden off our EVS staff.
- Workers' Comp. PMC has had to obtain a business license in Washington state to purchase workers' comp for an employee that works remotely. PMC will pay quarterly taxes.
- Unemployment claims. We have had five fake unemployment claims in the past six months. Four were for current employees working full time for PMC during the period listed and one was for a previous employee who moved out of State. I've answered the initial Request for Separation Information promptly and report the fake / erroneous claims to the Alaska Department of Labor & Workforce Development, Unemployment Fraud unit. In one case, we were charged for an unemployment payment the employee did not receive & I am appealing it (in writing per the instructions) the amount. The employee likewise reported the fraud to the State.
- State of Alaska -- Background Check Unit. On May 18<sup>th</sup>, the BCU at the State of Alaska, was the victim of a cyberattack. The BCU portal has been down since. On May 24<sup>th</sup>, the State issued a workaround having all applications done manually (on paper). This procedure has slowed our hiring process. No timeframe has been given on the electronic applications or re-establishment of the BCU portal.

## Completed

- Nurse Over Time report
- OSHA Form 300
- Survey of Public Employment

## Opportunities

- Alaska SHRM (Society of Human Resource Management) conference in September 2021

## Submitted by:

Cynthia Newman - SHRM-CP, PHR  
Human Resources Director





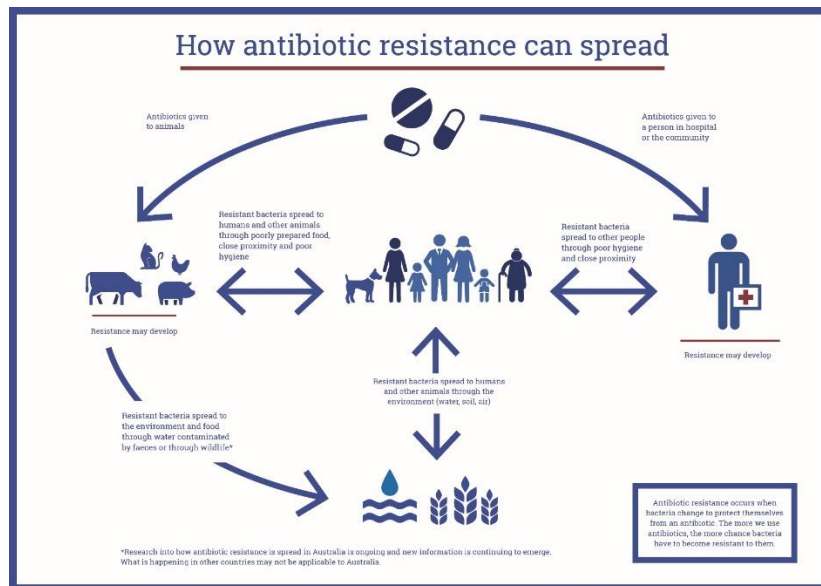
Review and Update

Infection Prevention:

Antimicrobial stewardship continues to be an important component to overall patient safety. ASHNHA has developed a statewide antimicrobial stewardship collaborative, this includes infectious disease physicians, hospital-based pharmacists and infection preventionists. Antibiogram data is collected from several hospitals across the state and the data includes all the data submitted by hospitals in the state and also by region. Because the PMC patient numbers are relatively small, looking at geographically similar facilities provides more information. With this tool, physicians can watch for shifts in resistance to guide therapy decisions.

In some cases, very ill hospitalized patients need treatment to start to prevent or manage sepsis, even before the lab has identified the pathogenic organism. A broad-spectrum antibiotic administered through an IV site is a first choice to quickly control the infection. Once the lab has identified the pathogen and resistance pattern, the IV antibiotic will often be changed to one that does not have as broad a coverage, or from IV to oral medication. Ideally this is done in 48 hours. Monitoring antibiotic usage in the hospital, we often see our physicians are on top of this “time out” process for treating infections. Besides creating resistant strains, antibiotics may cause side effects that require medical intervention (rashes and disruption of normal gut flora). Auditing antibiotic prescribing is particularly challenging with the current electronic medical record so this process improvement project will begin in 2022 after Cerner EMR is activated.

Antibiotics are more often used in agriculture and industry, so we all may be exposed to low levels of antibiotics surreptitiously, in the food we eat or the products we use. This is a nice infographic from Australia:



<https://www.amr.gov.au/resources/infographic-how-antibiotic-resistance-can-spread>

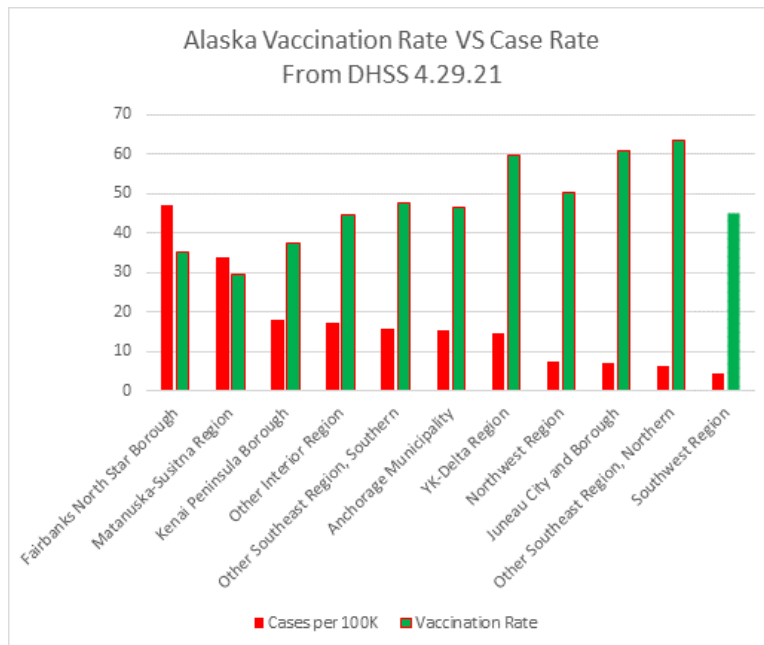
<https://www.cdc.gov/antibiotic-use/core-elements/index.html>



Looking Forward

As reported in May, Long Term Care is eligible for a CMS a survey. These are unannounced surveys conducted roughly once per year. Surveys across the state and the country have been paused during the COVID pandemic and have been resumed in the past few months. Many departments and staff touch Long Term Care. Resident safety and care, infection control, and quality of life are important components of these surveys.

COVID vaccination rates in Petersburg continue to climb and the waiting list is now much shorter. Vaccine supplies are strong, children aged 12 and older are now able to receive the Pfizer vaccine. We expect the age authorization to drop later this year. School will be starting in a few months, influenza season begins October 1. With the potential of an influenza season on top of COVID variants, it is more important than ever for people to get their COVID vaccine sooner rather than later, and get the flu shot when it becomes available. A [Fair Health White Paper](#) estimates that 23% of patients who tested positive for COVID-19 have one or more lingering symptoms for weeks or months after recovery. And the State of Alaska reports that 97% of all hospitalized COVID patients in 2021 have NOT been vaccinated. Vaccination is also important to prevent the spread of variants that are highly transmissible and may be more dangerous especially to immunocompromised patients. There is a very obvious relationship between vaccinations and infections: the higher the community vaccination rate, the lower the incidence of COVID. This is illustrated below from data collected by the State of Alaska in April:



Our local Public Health nurse, Erin Michael has begun offering COVID-19 vaccines and we expect a gradual transition for these vaccines to be provided outside of the hospital (either Joy Janssen Clinic or Public Health).

Of course, COVID is not the only vaccine on our minds, and getting children ready for school this fall for in person learning gives PMC and our community partners an opportunity to look at ways to encourage getting school aged kids up to date on all childhood vaccines. Look for more information in the next month.



Petersburg Medical Center

QUALITY & INFECTION PREVENTION: JUNE 2021

---

Challenges AND Accomplishments

Diabetic patient management during COVID:

This is a comparison of patients having Hemoglobin A1c levels measured during the six months prior to the COVID-19 pandemic and the last six months of 2020. All A1c results are from patients with a diagnosis of diabetes or pre-diabetes. According to this data, patients requiring closer management are being followed and shows us an opportunity for additional community education to those patients who fall in the pre-diabetic range.

A1c Range	Patients tested 7/1/2019 - 12/31/2019	# of patients with their last A1c > 6 months prior*	Patients tested 7/1/2020 - 12/31/2020	# of patients with their last A1c > 6 months prior*
6.9 or less	104		69	
5.7-6.4 (Pre-diabetic)	56	4	39	5
7.0 -8.9	46	2	43	2
9.0 - greater	17	2	12	2
Total tests	223		163	

\*Goal to monitor diabetics with A1c >7.0 every 3 to 6 months.

For more information visit [www.diabetes.org](http://www.diabetes.org)

Meetings for July:

- Long Term Care Quality, July 22, 11:00 AM: Marlene Cushing
- CAH Quality, July 20, 10:30 AM: Jerod Cook
- Ethics and Compliance: Request a board member for this committee, meeting date TBD.

Elizabeth Bacom, MLS  
Quality and Infection Prevention  
[ebacom@pmc-health.org](mailto:ebacom@pmc-health.org)  
907-772-5545



# *Petersburg Medical Center*

PO Box 589  
Petersburg, Alaska 99833  
Phone: (907) 772-4291 / Fax: (907) 772-3085

## **CEO Report:**

Petersburg Medical Center continues past the turning point with the Emergency Incident Command System for the COVID pandemic and is beginning its de-escalation process. The Borough EOC will disband at the end of June 2021 and PMC will follow with the last FEMA designation on June 26<sup>th</sup>. PMC will continue to incorporate COVID mitigation with vaccinations, hotline, testing both asymptomatic, symptomatic and airport but this will occur as part of normal operations. The funding for these processes will occur with the State of Alaska (SOA) contract for airport testing and funds through the Borough for COVID response. PMC policies will also reflect the incorporation of the latest CDC and CMS guidelines for COVID. There has not been an active COVID case in Petersburg for a two-week period of time and we continue to have vaccination clinics in the facility. An increasing number of healthcare facilities in the state are determining mandatory vaccination in healthcare workers. The PMC staff vaccination rate is rising slightly toward 88% currently and we would like to see this at 95%. The asymptomatic testing program at the airport and the respiratory clinic are both seeing dramatically reduced numbers, and these will become an internal process at the facility. There will be posters, signs, and brochures at the airport, harbor and ferry terminal for information to obtain COVID testing and vaccinations at the hospital.

As we recover out of COVID, PMC is finalizing the FY22 budget, and this is in the packet for approval. The recovery act funds and PMC eligibility as well as healthcare allocation, unfortunately continue to be held up. Fortunately, we were able to obtain a positive Medicare adjustment on the cost report; however, delays and uncertainty provides a strain on budgeting for FY22. The goal will be zero based budget but it is possible to have a level of loss. The resource committee met 5/20/21 and again on 6/18/2021 to review. The goal as mentioned last month is to increase access to Home Health, health homes, medical staff, mental health, financial team, technology and primary care clinic. While these programs are developing the existing nursing LTC, ER, inpatient, swing bed and ancillary departments need to recover. This dual effort will require about 1 year to rebuild and to build.

The past month was one of numerous meetings. There was an unexpected agenda with SEARHC presenting to the Assembly on June 7<sup>th</sup>. This presentation was coordinated without PMC input by the mayor. The Assembly supported PMC regarding any healthcare presentation should be conducted through the PMC board prior to assembly agenda presentation. The PMC function is to serve as the healthcare facility in Petersburg. Any healthcare organization interested in discussion regarding health delivery in the community should provide an opportunity to discuss with PMC Board and administration. Potential partnerships are a collaborative process and PMC is tasked to define any potential partnership that affects patient care.

The Community Needs Assessment is being completed this month and conducted by Julie Walker and grant writer. This is a requirement under non-profit healthcare organization every three years. Following COVID we hope to capture the importance of a local community healthcare facility.





## *Petersburg Medical Center*

PO Box 589  
Petersburg, Alaska 99833  
Phone: (907) 772-4291 / Fax: (907) 772-3085

### **Integrated Healthcare:**

In the past year it has been impressive to see the large adjustment in integrating services into the clinic. COVID has forced PMC to become adaptable and standup various types of way to deliver services. The graphs and charts speak for themselves. Of note are the variations in types of delivery.

### **Workforce development:**

PMC received notice that the application for the National Health Service Corp application to become a designated site through HRSA has been approved! This is a behavioral health designation under the Joy Janssen Clinic and allows PMC an ability to retain employees through federal loaner repayment program as well as advertise as a designated site.

**Finance:** The financial package is included for the May FY21. While we are awaiting funding through the Federal COVID funding package the budget continues to be refined. While the budgetary process as indicated requires an approval, we continue to await for The Alaska Rescue Plan Act for funding under grants that PMC is reviewing closely to assist in our programs and capital infrastructure.

**Revenue Cycle/Billing:** HRG is in its 3<sup>rd</sup> month and working with PMC finance team to transition all the processes and improvements for statements, AR and billing. Revenue cycle specialist will be taking over on July 1<sup>st</sup> and work closely with our team to address chargemaster, workflow gaps and efficiencies.

# ***PETERSBURG MEDICAL CENTER***

## **FINANCIAL REPORTING PACKAGE**

**FISCAL YEAR 2021**

**For the eleven months ended May 31, 2021**

**PETERSBURG MEDICAL CENTER**  
**Statement of Revenues and Expenses**  
**For the eleven months ended May 31, 2021**

Month Actual	Month Budget	\$ Variance	% Variance		YTD Actual	YTD Budget	\$ Variance	% Variance	Prior YTD	% Variance
\$441,239	\$347,587	\$93,652	26.9%							
1,088,216	1,040,941	47,275	4.5%							
263,056	353,614	(90,558)	-25.6%							
<u>1,792,511</u>	<u>1,742,142</u>	<u>50,369</u>	<u>2.9%</u>							
372,216	302,610	(69,606)	-23.0%							
0	0	0	n/a							
232,398	9,756	(222,642)	-2282.1%							
35,155	59,622	24,467	41.0%							
<u>639,769</u>	<u>371,988</u>	<u>(267,781)</u>	<u>-72.0%</u>							
1,152,742	1,370,154	(217,412)	-15.9%							
108,774	62,277	46,497	74.7%							
8,063	13,750	(5,687)	-41.4%							
269,113	150,000	119,113	79.4%							
77,911	2,603	75,308	2893.1%							
<u>463,861</u>	<u>228,630</u>	<u>235,231</u>	<u>102.9%</u>							
1,616,603	1,598,784	17,819	1.1%							
974,667	807,672	(166,995)	-20.7%							
90,439	64,958	(25,481)	-39.2%							
387,869	320,913	(66,956)	-20.9%							
88,669	128,566	39,897	31.0%							
151,586	62,479	(89,107)	-142.6%							
43,816	46,896	3,080	-6.6%							
22,114	15,758	(6,356)	-40.3%							
16,999	11,633	(5,366)	46.1%							
70,767	49,940	(20,827)	-41.7%							
7,093	13,111	6,018	45.9%							
55,124	62,385	7,261	11.6%							
8,301	8,756	455	5.2%							
14,356	12,620	(1,736)	-13.8%							
<u>1,931,800</u>	<u>1,605,686</u>	<u>(326,114)</u>	<u>-20.3%</u>							
(315,197)	(6,903)	(308,294)	-4466.3%							
33,208	6,250	26,958	431.3%							
0	(6)	6	100.0%							
0	0	0	n/a							
0	0	0	0.0%							
<u>33,208</u>	<u>6,244</u>	<u>26,964</u>	<u>431.8%</u>							
(\$281,989)	(\$658)	(\$281,331)	-42746.1%							

( ) or - indicates unfavorable variance



**PETERSBURG MEDICAL CENTER**  
**Key Volume Indicators**  
**For the eleven months ended May 31, 2021**

<u>Current Month</u>					<u>Year-To-Date</u>							
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>				<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		#	<u>Prior YTD</u>	<u>Variance %</u>
		<u>Amount</u>	<u>%</u>					<u>Amount</u>	<u>%</u>			
<b>Hospital Inpatient</b>												
33	34	(1)	-2.9%	1.	Patient Days - Acute Care	259	272	(13)	-4.8%		311	-16.7%
97	93	4	4.3%	2.	Patient Days - Swing Bed	704	806	(102)	-12.7%		1,123	-37.3%
130	127	3	2.4%	3.	Patient Days - Total	963	1,078	(115)	-10.7%		1,434	-32.8%
1.1	1.1	(0.0)	-2.9%	4.	Average Daily Census - Acute Care	0.9	0.8	0.0	4.9%		0.9	-8.0%
3.1	3.0	0.1	4.3%	5.	Average Daily Census - Swing Bed	2.3	2.4	(0.1)	-3.7%		3.3	-30.7%
4.2	4.1	0.1	2.4%	6.	Average Daily Census - Total	3.2	3.2	(0.1)	-1.6%		4.3	-25.8%
34.9%	34.1%	0.8%	2.4%	7.	Percentage of Occupancy	23.9%	26.8%	-2.9%	-10.7%		35.6%	-32.7%
<b>Long Term Care</b>												
266	372	(106)	-28.5%	8.	Resident Days	2,684	3,836	(1,152)	-30.0%		3,870	-30.6%
8.6	12.0	(3.4)	-28.5%	9.	Average Daily Census	8.0	11.5	(3.4)	-30.1%		11.5	-30.5%
57.2%	80.0%	(0)	-28.5%	10.	Percentage of Occupancy	53.4%	76.3%	-23.0%	-30.1%		76.8%	-30.5%
<b>Other Services</b>												
90	77	13	16.9%	11.	Emergency Room Visits	594	655	(61)	-9.3%		597	-0.5%
250	192	58	30.2%	12.	Radiology Procedures	1,939	1,715	224	13.1%		1,953	-0.7%
-	2,434	(2,434)	-100.0%	13.	Lab Tests (excluding QC)	17,731	22,468	(4,737)	-21.1%		20,803	-14.8%
677	854	(177)	-20.7%	14.	Rehab Services Units	7,163	6,550	613	9.4%		10,296	-30.4%
34	60	(26)	-43.3%	15.	OP Treatment Room	504	642	(138)	-21.5%		704	-28.4%
177	150	27	18.0%	16.	Home Health Visits	2,813	1,650	1,163	70.5%		1,143	146.1%
906	946	(40)	-4.2%	17.	Clinic Visits	9,197	8,507	690	8.1%		9,514	-3.3%
316	-	316	n/a	18.	Airport COVID Tests	4,041	-	4,041	n/a		-	n/a
41	-	41	n/a	19.	Lab Asymptomatic COVID Tests	5,090	-	5,090	n/a		-	n/a

( ) or - indicates an unfavorable variance

**PETERSBURG MEDICAL CENTER**  
**Key Operational Indicators**  
**For the eleven months ended May 31, 2021**

<u>Current month</u>					<u>Year-to-Date</u>						
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>				<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Prior YTD \$</u>	<u>Prior YTD %</u>
		<u>Amount</u>	<u>%</u>					<u>Amount</u>	<u>%</u>		
20.8%	17.4%	-3.4%	-19.5%	1.	Contractual Adj. as a % of Gross Revenue	19.4%	17.4%	-2.0%	-11.4%	13.6%	-42.7%
2.0%	3.4%	1.5%	42.7%	2.	Charity/Other Ded. as a % of Gross Revenue	3.3%	3.4%	0.1%	4.1%	2.6%	-28.5%
13.0%	0.6%	-12.4%	-2215.2%	3.	Bad Debt as a % of Gross Revenue	1.5%	0.6%	-0.9%	-160.3%	0.4%	-278.5%
-19.5%	-0.4%	-19.1%	-4416.0%	4.	Operating Margin	-3.6%	-0.5%	-3.1%	-605.9%	2.5%	244.4%
-17.1%	0.0%	-17.1%	-41583.1%	5.	Total Margin	0.0%	-0.1%	0.2%	139.8%	2.5%	98.1%
				6.	Days Cash on Hand (Including Investments)	189.9				343.1	-44.6%
				7.	Days in A/R	60.2				42.2	-42.8%

Future months to include FTE's and Salary related indicators.

**PETERSBURG MEDICAL CENTER**

**Balance Sheet**

**May 31, 2021**

**ASSETS**

	<u>May 2021</u>	<u>Apr 2021</u>	<u>June 2020</u>	<u>May 2020</u>
<b>Current Assets:</b>				
1. Cash - operating	\$1,665,749	\$2,246,495	\$6,977,720	\$7,321,459
2. Cash - insurance advances	3,548,823	3,624,420	3,648,599	3,648,599
3. Investments	2,600,090	2,600,060	2,597,056	2,597,506
4. Total cash	7,814,662	8,470,975	13,223,375	13,567,564
5. Patient receivables	5,744,438	5,203,657	4,327,789	4,214,095
6. Allowance for contractals & bad debt	(3,387,960)	(3,094,964)	(2,984,193)	(2,907,605)
7. Net patient receivables	2,356,478	2,108,693	1,343,596	1,306,490
8. Other receivables	195,074	194,684	69,848	19,111
9. Inventories	308,883	298,030	287,034	267,329
10. Prepaid expenses	112,755	153,247	95,727	94,975
11. Total current assets	10,787,852	11,225,629	15,019,580	15,255,469
<b>Property and Equipment:</b>				
12. Assets in service	22,729,769	22,729,769	22,118,622	22,102,738
13. Assets in progress	92,758	70,328	441,798	441,798
14. Total property and equipment	22,822,527	22,800,097	22,560,420	22,544,536
15. Less: accumulated depreciation	(18,908,523)	(18,853,398)	(18,304,246)	(18,247,746)
16. Net property and equipment	3,914,004	3,946,699	4,256,174	4,296,790
<b>Assets Limited as to Use by Board</b>				
17. Investments	3,124,430	3,095,510	2,495,153	2,447,245
18. Building fund	662,719	656,662	525,783	515,750
19. Total Assets Limited as to Use	3,787,149	3,752,172	3,020,936	2,962,995
<b>Deferred Outflows:</b>				
20. Pension	2,524,894	2,524,894	2,524,894	2,883,764
21. Total assets	<b>\$21,013,899</b>	<b>\$21,449,394</b>	<b>\$24,821,584</b>	<b>\$25,399,018</b>

**LIABILITIES & FUND BALANCE**

	<u>May 2021</u>	<u>Apr 2021</u>	<u>June 2020</u>	<u>May 2020</u>
<b>Current Liabilities:</b>				
22. Accounts payable	\$783,555	\$672,712	\$732,449	\$617,710
23. Accrued payroll	486,738	384,381	473,575	396,413
24. Payroll taxes and other payables	101,025	84,324	99,937	94,068
25. Accrued PTO and extended sick	1,025,522	1,009,943	880,050	864,058
26. Deferred revenue	368,865	638,205	2,654,847	2,005,000
27. Due to Medicare	970,179	1,019,892	778,672	330,633
28. Due to Medicare - Advance	3,496,823	3,572,420	3,573,422	3,573,422
29. Due to Blue Cross - Advance	52,000	52,000	52,000	52,000
30. Other current liabilities	21,794	21,794	0	0
31. Loan Payable - SBA	0	0	1,800,000	1,800,000
32. Current portion of long-term debt	54,104	54,104	85,961	124,895
33. Total current liabilities	7,360,605	7,509,775	11,130,913	9,858,199
<b>Long-Term Debt:</b>				
34. Capital leases payable	21,720	26,056	69,411	41,243
<b>Pension Liabilities:</b>				
35. Net Pension Liability	11,270,762	11,270,762	11,270,762	11,593,911
36. OPEB Liability	323,644	323,644	323,644	2,366,512
37. Total pension liabilities	11,594,406	11,594,406	11,594,406	13,960,423
38. Total liabilities	18,976,731	19,130,237	22,794,730	23,859,865
<b>Deferred Inflows:</b>				
39. Pension	1,148,977	1,148,977	1,148,977	1,185,483
<b>Net Position:</b>				
40. Unrestricted	877,826	877,826	(99,888)	(99,888)
41. Current year net income (loss)	10,366	292,355	977,766	453,559
42. Total net position	888,191	1,170,180	877,877	353,670
43. Total liabilities and fund balance	<b>\$21,013,899</b>	<b>\$21,449,394</b>	<b>\$24,821,584</b>	<b>\$25,399,018</b>

**PETERSBURG MEDICAL CENTER**

**Statement of Cash Flows**

**May 31, 2021**

	FY21	FY20	Variance
<b>Cash Flows from Operating Activities</b>			
1. Cash received from patient services	11,816,751	15,032,367	(3,215,616)
2. Cash from other sources	729,300	152,325	576,975
3. Cash paid to suppliers	(7,082,793)	(4,759,706)	(2,323,087)
4. Cash paid to employees	(13,199,098)	(11,319,762)	(1,879,336)
5. Net cash provided by (used for) operating activities	<u>(7,735,840)</u>	<u>(894,776)</u>	<u>(6,841,064)</u>
<b>Cash Flows from Investing and Noncapital Financing Activities:</b>			
6. Change in Board Designated Investments	5,853	38,441	(32,588)
7. Cash from grant programs	2,695,713	822,082	1,873,631
8. Cash from provider relief funds	33,533	3,917,676	(3,884,143)
9. Cash (to)/from providers - advances	(76,599)	3,625,422	(3,702,021)
10. Cash from/payments on SBA Loan	0	1,800,000	(1,800,000)
11. Cash from non-operating revenue	10,899	12,036	(1,137)
12. Net cash provided by noncapital financing activities	<u>2,669,399</u>	<u>10,215,657</u>	<u>(7,546,258)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
13. Interest paid	(623)	(5,017)	4,394
14. Cash payments on long-term debt	(79,548)	(114,130)	34,582
15. Purchase of property and equipment	(262,101)	(678,407)	416,306
16. Net cash used for capital and related financing activities	<u>(342,272)</u>	<u>(797,554)</u>	<u>455,282</u>
17. Net increase (decrease) in cash and cash equivalents	<u>(5,408,713)</u>	<u>8,523,327</u>	<u>(13,932,040)</u>
18. Cash and cash equivalents, beginning of year	<u>13,223,375</u>	<u>5,044,237</u>	<u>8,179,138</u>
19. Cash and cash equivalents, end of period	<u><u>7,814,662</u></u>	<u><u>13,567,564</u></u>	<u><u>(5,752,902)</u></u>
20. Days Cash on Hand - Operating/Investments	69.8	205.9	(136.0)
21. Days Cash on Hand - Provider Advances	58.1	75.7	(17.6)
22. Days Cash on Hand - Total Operating Cash & Investments	<u>127.9</u>	<u>281.6</u>	<u>(153.7)</u>
23. Day Cash on Hand - Total Operating/Investment/Board	<u>189.9</u>	<u>343.1</u>	<u>(153.2)</u>
24. Days in Accounts Payable	<u>37.1</u>	<u>43.6</u>	<u>6.5</u>

**PETERSBURG MEDICAL CENTER**  
 Statement of Revenues and Expenses  
 FISCAL YEAR 2021

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total	Prior YTD	% VAR
<i>Gross Patient Revenue:</i>															
1. Inpatient	321,870	377,029	227,115	397,505	269,915	146,535	354,445	292,251	241,060	385,092	441,239	-	3,454,056	3,655,656	-5.5%
2. Outpatient	1,065,999	919,140	857,261	914,958	852,486	1,016,359	901,207	886,432	1,068,140	1,056,842	1,088,216	-	10,627,040	10,124,990	5.0%
3. Long-term Care	255,063	255,072	230,683	235,319	204,412	207,720	226,031	202,701	258,259	230,359	263,056	-	2,568,695	3,504,370	-26.7%
4. <b>Total gross patient revenue</b>	<b>1,642,952</b>	<b>1,551,241</b>	<b>1,315,059</b>	<b>1,547,782</b>	<b>1,326,813</b>	<b>1,370,614</b>	<b>1,481,683</b>	<b>1,381,384</b>	<b>1,567,459</b>	<b>1,672,293</b>	<b>1,792,511</b>	-	<b>16,649,791</b>	<b>17,285,016</b>	<b>-3.7%</b>
<i>Deductions from Revenue:</i>															
5. Contractual adjustments	391,367	194,455	195,358	381,519	221,737	271,785	309,833	265,573	287,306	331,094	372,216	-	3,222,243	2,343,556	-37.5%
6. Prior year settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a
7. Bad debt expense	33,717	21,037	(88,269)	47,964	(54,039)	40,759	(103,819)	(15,340)	55,335	72,997	232,398	-	242,740	66,586	-264.6%
8. Charity and other deductions	95,114	47,057	72,415	32,805	80,157	27,868	51,312	58,192	23,496	23,111	35,155	-	546,682	441,836	-23.7%
9. <b>Total deductions from revenue</b>	<b>520,198</b>	<b>262,549</b>	<b>179,504</b>	<b>462,288</b>	<b>247,855</b>	<b>340,412</b>	<b>257,326</b>	<b>308,425</b>	<b>366,137</b>	<b>427,202</b>	<b>639,769</b>	-	<b>4,011,665</b>	<b>2,851,978</b>	<b>-40.7%</b>
10. <b>Net patient revenue</b>	<b>1,122,754</b>	<b>1,288,692</b>	<b>1,135,555</b>	<b>1,085,494</b>	<b>1,078,958</b>	<b>1,030,202</b>	<b>1,224,357</b>	<b>1,072,959</b>	<b>1,201,322</b>	<b>1,245,091</b>	<b>1,152,742</b>	-	<b>12,638,126</b>	<b>14,433,038</b>	<b>-12.4%</b>
<i>Other Revenue</i>															
11. Inkind Service - PERS/USAC	69,758	69,758	110,688	100,651	76,275	133,541	105,106	75,249	143,535	140,894	108,774	-	1,134,229	714,223	58.8%
12. Grant revenue	-	44,068	104,276	19,525	157,593	2,203,490	34,919	17,281	21,462	163,255	8,063	-	2,773,932	817,082	239.5%
13. Federal & State Relief	600,000	581,750	525,000	111,337	1,297,131	432,922	305,719	161,154	(137,500)	(87,877)	269,113	-	4,058,749	1,917,676	111.6%
14. Other revenue	66,932	60,852	55,810	67,873	60,981	75,726	73,307	53,625	91,838	130,424	77,911	-	815,279	94,262	764.9%
15. <b>Total other operating revenue</b>	<b>736,690</b>	<b>756,428</b>	<b>795,774</b>	<b>299,386</b>	<b>1,591,980</b>	<b>2,845,679</b>	<b>519,051</b>	<b>307,309</b>	<b>119,335</b>	<b>346,696</b>	<b>463,861</b>	-	<b>8,782,189</b>	<b>3,543,243</b>	<b>147.9%</b>
16. <b>Total operating revenue</b>	<b>1,859,444</b>	<b>2,045,120</b>	<b>1,931,329</b>	<b>1,384,880</b>	<b>2,670,938</b>	<b>3,875,881</b>	<b>1,743,408</b>	<b>1,380,268</b>	<b>1,320,657</b>	<b>1,591,787</b>	<b>1,616,603</b>	-	<b>21,420,315</b>	<b>17,976,281</b>	<b>19.2%</b>
<i>Expenses:</i>															
17. Salaries and wages	930,934	887,684	818,036	943,298	816,510	891,307	921,953	879,923	976,977	956,520	974,667	-	9,997,809	8,613,204	-16.1%
18. Contract labor	91,330	82,856	75,605	92,920	60,107	63,362	36,564	29,724	63,455	97,298	90,439	-	783,660	775,724	-1.0%
19. Employee benefits	313,389	342,582	351,862	340,067	365,501	421,731	386,314	324,422	420,796	424,223	387,869	-	4,078,756	3,388,695	-20.4%
20. Supplies	51,813	99,821	91,010	166,901	95,714	84,491	130,806	115,184	124,913	94,634	88,669	-	1,143,956	1,269,849	9.9%
21. Purchased services	74,248	173,170	182,103	178,923	129,585	197,168	131,611	146,663	159,599	187,238	151,586	-	1,711,894	1,153,663	-48.4%
22. Repairs and maintenance	51,690	44,770	63,055	40,253	41,124	1,397,448	65,504	50,216	62,019	33,358	43,816	-	1,893,253	475,182	-298.4%
23. Minor equipment	3,102	28,374	101,761	16,790	146,896	243,104	35,515	22,038	22,593	29,505	22,114	-	671,792	119,859	-460.5%
24. Rentals and leases	12,426	16,518	15,967	13,859	15,847	14,594	13,046	15,086	15,210	15,195	16,999	-	164,747	123,080	-33.9%
25. Utilities	52,613	46,051	47,944	79,819	83,217	73,666	81,014	78,252	76,791	77,126	70,767	-	767,260	546,200	-40.5%
26. Training and travel	1,507	2,640	5,586	13,279	7,491	4,676	5,829	3,998	1,501	3,322	7,093	-	56,922	109,385	48.0%
27. Depreciation	55,696	55,506	54,928	53,239	53,096	56,189	54,061	53,997	57,547	54,888	55,124	-	604,271	636,193	5.0%
28. Insurance	8,821	3,867	17,825	8,401	9,288	8,301	21,644	8,416	8,301	8,372	8,301	-	111,537	89,942	-24.0%
29. Other operating expense	10,086	23,511	27,945	19,973	12,990	17,643	22,693	17,444	21,094	18,699	14,356	-	206,434	226,526	8.9%
30. <b>Total expenses</b>	<b>1,657,655</b>	<b>1,807,350</b>	<b>1,853,627</b>	<b>1,967,722</b>	<b>1,837,366</b>	<b>3,473,680</b>	<b>1,906,554</b>	<b>1,745,363</b>	<b>2,010,796</b>	<b>2,000,378</b>	<b>1,931,800</b>	-	<b>22,192,291</b>	<b>17,527,502</b>	<b>-26.6%</b>
31. <b>Income (loss) from operations</b>	<b>201,789</b>	<b>237,770</b>	<b>77,702</b>	<b>(582,842)</b>	<b>833,572</b>	<b>402,201</b>	<b>(163,146)</b>	<b>(365,095)</b>	<b>(690,139)</b>	<b>(408,591)</b>	<b>(315,197)</b>	-	<b>(771,976)</b>	<b>448,779</b>	<b>272.0%</b>
<i>Nonoperating Gains(Losses):</i>															
32. Investment income	109,139	100,157	(68,974)	(28,252)	257,011	115,865	9,311	79,688	4,191	160,722	33,208	-	772,066	(2,239)	34582.6%
33. Interest expense	(200)	(162)	(125)	(87)	(49)	-	-	-	-	-	-	-	(623)	(5,017)	87.6%
34. Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35. Other non-operating revenue	245	140	720	124	70	70	256	16	9,226	32	-	-	10,899	12,036	-9.4%
36. <b>Net nonoperating gains (losses)</b>	<b>109,184</b>	<b>100,135</b>	<b>(68,379)</b>	<b>(28,215)</b>	<b>257,032</b>	<b>115,935</b>	<b>9,567</b>	<b>79,704</b>	<b>13,417</b>	<b>160,754</b>	<b>33,208</b>	-	<b>782,342</b>	<b>4,780</b>	<b>-16267.0%</b>
37. <b>Change in Net Position (Bottom Line)</b>	<b>310,973</b>	<b>337,905</b>	<b>9,323</b>	<b>(611,057)</b>	<b>1,090,604</b>	<b>518,136</b>	<b>(153,579)</b>	<b>(285,391)</b>	<b>(676,722)</b>	<b>(247,837)</b>	<b>(281,989)</b>	-	<b>10,366</b>	<b>453,559</b>	<b>97.7%</b>
38. <b>FY21 Budget</b>	<b>23,903</b>	<b>32,325</b>	<b>24,163</b>	<b>25,440</b>	<b>45,470</b>	<b>34,538</b>	<b>(96,891)</b>	<b>(12,433)</b>	<b>(93,421)</b>	<b>(2,861)</b>	<b>(658)</b>	-	<b>(20,425)</b>	-	-
39. <b>FY21 Variance</b>	<b>287,070</b>	<b>305,580</b>	<b>(14,840)</b>	<b>(636,497)</b>	<b>1,045,134</b>	<b>483,598</b>	<b>(56,688)</b>	<b>(272,958)</b>	<b>(583,301)</b>	<b>(244,976)</b>	<b>(281,331)</b>	-	<b>30,791</b>	-	-

**PETERSBURG MEDICAL CENTER**  
**Key Volume Indicators**  
**FISCAL YEAR 2021**

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total	Prior YTD	% Change
<b>Hospital Inpatient</b>															
1. Patient Days - Acute Care	29	35	15	28	20	7	26	12	27	27	33		259	311	-16.7%
2. Patient Days - Swing Bed	62	68	45	80	45	29	81	66	29	102	97		704	1,123	-37.3%
3. Patient Days - Total	91	103	60	108	65	36	107	78	56	129	130		963	1,434	-32.8%
4. Average Daily Census - Acute Care	0.9	1.1	0.5	0.9	0.7	0.2	0.8	0.4	0.9	0.9	1.1		0.9	0.9	-8.0%
5. Average Daily Census - Swing Bed	2.0	2.2	1.5	2.6	1.5	0.9	2.6	2.4	0.9	3.4	3.1		2.3	3.3	-30.7%
6. Average Daily Census - Total	2.9	3.3	2.0	3.5	2.2	1.2	3.5	2.8	1.8	4.3	4.2		3.2	4.3	-25.8%
7. Percentage of Occupancy	24.5%	27.7%	16.7%	29.0%	18.1%	9.7%	28.8%	23.2%	15.1%	35.8%	34.9%		23.9%	35.6%	-32.7%
<b>Long Term Care</b>															
8. Resident Days	279	279	241	245	210	217	233	210	263	241	266		2,684	3,870	-30.6%
9. Average Daily Census	9.0	9.0	8.0	7.9	7.0	7.0	7.5	7.5	8.5	8.0	8.6		8.0	11.5	-30.5%
10. Percentage of Occupancy	60.0%	60.0%	53.6%	52.7%	46.7%	46.7%	50.1%	50.0%	56.6%	53.6%	57.2%		53.4%	76.8%	-30.5%
<b>Other Services</b>															
11. Emergency Room Visits	64	76	42	40	35	42	65	46	54	40	90		594	597	-0.5%
12. Radiology Procedures	157	173	150	146	164	189	184	147	191	188	250		1,939	1,953	-0.7%
13. Lab Tests (excluding QC)	3,082	2,748	2,606	2,576	2,253	2,218	2,248						17,731	20,803	-14.8%
14. Rehab Services Units	759	696	563	565	575	657	497	578	678	918	677		7,163	5,433	-30.4%
15. OP Treatment Room	33	55	54	53	36	65	45	56	27	46	34		504	435	-28.4%
16 Home Health Visits	272	255	213	257	309	272	286	293	284	195	177		2,813	541	146.1%
17. Clinic Visits	632	758	755	879	779	900	748	1,019	875	946	906		9,197	4,811	-3.3%
18. Airport COVID Tests	366	245	197	260	349	462	459	314	580	493	316		4,041	-	n/a
19. Lab Asymptomatic COVID Tests	662	689	621	640	379	429	487	423	441	278	41		5,090	-	n/a

<b>PETERSBURG MEDICAL CENTER</b> <b>Key Operational Indicators</b> <b>For the eleven months ended May 31, 2021</b>
--

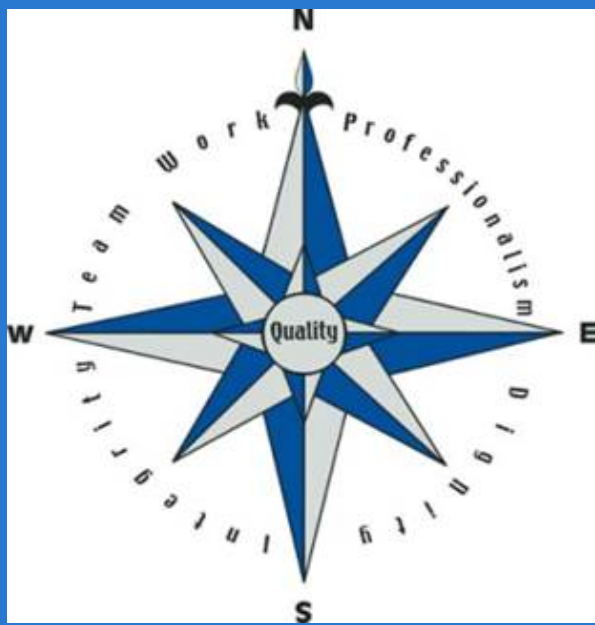
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD	Prior YTD	% Change
1. Contractual Adj. as a % of Gross Revenue	23.8%	12.5%	14.9%	24.6%	16.7%	19.8%	20.9%	19.2%	18.3%	19.8%	20.8%		19.4%	13.6%	-42.7%
2. Charity/Other Ded. as a % of Gross Revenue	5.8%	3.0%	5.5%	2.1%	6.0%	2.0%	3.5%	4.2%	1.5%	1.4%	2.0%		3.3%	2.6%	-28.5%
3. Bad Debt as a % of Gross Revenue	2.1%	1.4%	-6.7%	3.1%	-4.1%	3.0%	-7.0%	-1.1%	3.5%	4.4%	13.0%		1.5%	0.4%	-278.5%
4. Operating Margin	10.9%	11.6%	4.0%	-42.1%	31.2%	10.4%	-9.4%	-26.5%	-52.3%	-25.7%	-19.5%		-3.6%	2.5%	244.4%
5. Total Margin	15.8%	15.8%	0.5%	-45.0%	37.2%	13.0%	-8.8%	-19.5%	-50.7%	-14.1%	-17.1%		0.0%	2.5%	98.1%
6. Days Cash on Hand (Including Investments)	313.2	292.9	279.4	265.8	273.8	224.3	220.5	211.5	205.5	198.9	190.0	-	189.9	343.1	-44.6%
7. Days in A/R	49.6	49.8	37.7	39.2	36.2	35.9	42.6	44.5	42.5	53.3	60.2	-	60.2	42.2	-42.8%



Petersburg Medical Center
Capital
FY21

Dept Name	Description	(1) Approved Budget	(2) Substitutions	(3) Revised Budget	(4) Committed	(5) Paid	(6) Total Paid/Committed	(7) Budget Remaining
<b>FY20 Assets in Progress</b>						75,789		
<b>FY21 Capital Budget</b>								
IT	Fire Suppression - Server Room	19,078		19,078			-	19,078
IT	Server	16,515		16,515			-	16,515
IT	RAPC Interface	-	14,580	14,580		14,580	14,580	-
Acute/Swing/ER	Fetal Monitor	22,000		22,000			-	22,000
Acute/Swing/ER	IV Smart Pumps (12)	48,840		48,840		7,104	7,104	41,736
Acute/Swing/ER	Ventilators	25,000	3,263	28,263		28,263	28,263	-
Acute/Swing/ER	Vital Carts	-	9,020	9,020		9,020	9,020	-
LTC	Beds (4)	10,671		10,671			-	10,671
PT	Powermatic Mat Platform	5,000		5,000			-	5,000
Lab	Traction Plant	7,795		7,795			-	7,795
Lab	Glucometers (5)	34,685		34,685			-	34,685
Lab	Microscan	25,000		25,000		25,000	25,000	-
Imaging	Ultrasound	190,024		190,024			-	190,024
Plant	Industrial Washer	12,618	889	13,507		13,507	13,507	-
Plant	Plow Truck with Sander	60,000		60,000			-	60,000
Plant	Ice Makers (3)	18,000		18,000		6,481	6,481	11,519
Plant	Car - Toyota Highlander		5,000	5,000		5,000	5,000	-
Plant	Hot Water Heaters	-	28,767	28,767		28,767	28,767	(0)
Audiology	Audiology Equipment	14,774	214	14,988		14,988	14,988	(0)
Telehealth	To Be Determined (see budget)	-		-			-	-
Admin	Cerner Project		33,602	33,602		33,602	33,602	-
Admin	Contingency	100,000	(95,335)	4,665		-	-	4,665
<b>Total - FY21</b>		610,000	-	610,000	-	186,312	186,312	423,688
<b>Total Expenditures per Cash Flow</b>						262,101		
Funding Sources - FY21								
	PMC Operations	610,000	-	610,000				
	Grants	-	-	-				
	Cares Act	-	-	-				
	Board Reserves	-	-	-				
	<b>Total</b>	610,000	-	610,000				

( ) or - indicates unfavorable variance



# Petersburg Medical Center

FY22 Budget

Board Presentation

June 24, 2021

## *Our Mission*

Excellence in healthcare services and the promotion of wellness  
in our community.



# FY22 Budget – Thoughts from the CEO

The annual budget process for most hospitals is typically challenging. Seen as an annual “to do” - many organizations squeeze in budget preparation between the day to day priorities of taking care of patients, seemingly mundane reporting deadlines and the longing to take advantage of the first signs of changing seasons.

Few hospitals see the annual opportunity for transformation that comes with budget preparation. And no hospital, at least in the 100 years before last year, has put together a budget that contemplates uncertainties during a pandemic. And though this budget season brings signs of a waning pandemic, we have been faced with uncertainties in developing a budget – both continuations from COVID and new ones with regard to system implementation and staffing impacts related to COVID.

Petersburg Medical Center’s FY22 budget is the product of an organization-wide, concentrated effort, to continue the new budget process that was implemented last year. However, this year, in an attempt to avoid adding to the already heavy burden carried by managers related to COVID and the Cerner implementation, the accounting team partnered with managers to prepare departmental budgets. And as was the case last year, it has been particularly challenging to develop assumptions for patient volumes due to the impact of the COVID-19 pandemic.

While the possibility of sustained compression to patient volumes certainly exists (and we budgeted for that to some degree), we have chosen to direct our energies and attention to the opportunities that have arisen during this crisis and that we identified during the budget process or other operational reviews.

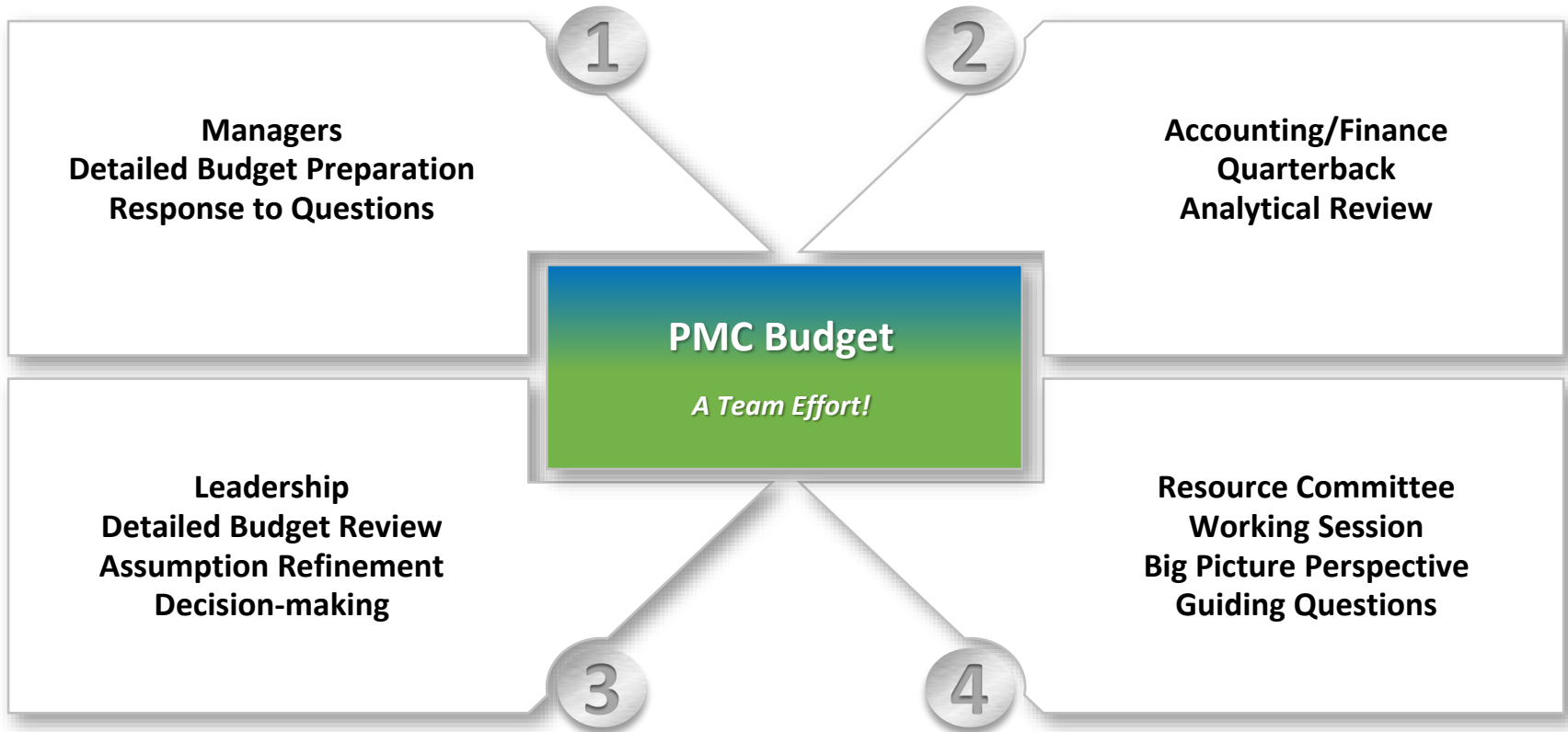
We will focus on the areas that we can control so that we are prepared to respond to the resurgence in patient volumes when they occur, seek new and innovative means to deliver the quality care we are known for, and to respond as nimbly as possible should we encounter a protracted decrease in volume or lack of funding on the Federal level.

I would like to thank the staff of PMC for rising to the occasion as always and the Board of PMC for your ongoing support and favorable consideration of our FY22 Operating and Capital budget presented herein.

- Phil Hofstetter, CEO



# The Budget Process – Our Approach



# The Budget Process – Where We Are

**Budget Kick-off with Budget Team**

**Budget Gameplan to Managers**

**Prepare Department Budget Packages**

**Conduct One on One's with Department Managers**

**Budget Review and Analysis**

**Resource Committee Meeting/Update (x2)**

**Finalize Budget Presentation Package**

**Board of Directors Approval**

**Provide Budget to the City**



# The Budget Process – Challenges

## Expected Federal Relief has not yet materialized

- Extension of Original Provider Relief Period
  - Released on 06/11/21 – Original period end at 06/30/21
- \$24B in remaining Provider Relief – Cares Act
- \$ 8B in rural health funding – American Rescue Act



# The Budget Process – Challenges

## Expected Federal Relief has not yet materialized

The federal government amassed a staggering \$178 billion in funds last year that were intended to prop up the nation's healthcare providers amid the swell of COVID-19 cases. Yet, more than a year later, **billions of dollars are still sitting in the provider relief fund**, triggering anxiety among those left waiting for financial relief.

Industry experts are frustrated over the lack of information on how, and when, those remaining funds will be made available. The American Hospital Association is calling on HHS to expedite delivery of the remaining funds, according to a letter the powerful lobby sent to HHS Secretary Xavier Becerra this week.

"We can't even get information about a next step," Mara McDermott, vice president of McDermott Consulting, said. She has been closely tracking the issue as she advises her provider clients.

However, the agency tasked with overseeing the fund, the Health Resources and Services Administration, said **relief is on the way**.

"HRSA is working as quickly as possible to distribute these funds and will soon provide updates and guidance for providers," a spokesperson said.





## Pending Opportunities – Federal/State/Private Grant Support

Opportunity	Description
Provider Relief - FY21	Though utilization period has not been extended - a mid-year lump sum from the Medicare rate setting process may provide an opportunity to reclaim expenses not reimbursed from other programs
Provider Relief - FY22	24 Billion left in Provider Relief Cares Act Funds
Provider Relief - Rural - FY22	8 Billion from Provider Relief Rescue Act Funds
FEMA	Disaster relief - Overtime and emergency hires not funded by other grants
Borough	Federal pass through that may be coming
Grants	



# Pending Opportunities – Federal/State/Private Grant Support

Name	Purpose	Amount	Status
State of Alaska DHSS	BH Telehealth	\$25,000	Funded
FCC COVID 19 Telehealth Program	Equipment	\$1,000,000	Pending review
ARPA DHSS Substance Abuse Block Grant Funding	MAT	\$1,000,000	Solicitation announcement pending
ARPA DHSS Mental Health Block Grant	Behavioral Health Services for healthcare workers and community members	\$500,000	Solicitation announcement pending
ARPA or State of Alaska DHSS	Home Health Care	\$500,000	Funding allocation and solicitation pending through either ARPA or State of Alaska
ARPA or State of Alaska DHSS	CAPABLE Program	\$500,000	Funding allocation and solicitation pending through either ARPA or State of Alaska
ARPA DHSS Assistance to Children & Families Emergency aide	Healthcare and other assistance impacted by COVID	\$100,000	Potential community partnership; solicitation announcement pending
State of Alaska DHSS	BH during COVID Continuation grant program for FY2021-22.	\$95,000	Pending award
State of Alaska DHSS (CIMG)	CAPABLE Program continuation grant for FY2021-22.	\$16,000	Pending award
ARPA Childcare development fund Flex Funding (CCDF)	Community childcare ( <i>this is part of a bigger project that will be incorporated in the new hospital</i> ).	\$500,000	Community partnership. Solicitation announcement pending
ARPA (CSLFRF) Capital Projects Allocation through State of Alaska funding	Geotechnical Work for Hospital site selection	\$18,000,000	ARPA allocation and Solicitation announcement pending
ARPA funding through Borough	TBD – initial request was for EHR connectivity \$423K and for building funds @ \$16M	\$100,000	Solicitation announcement pending
ARPA Emergency Connectivity Fund Program	EHR Connectivity Costs	\$900,000	Allocation specifics, amount and solicitation announcement pending
ARPA WIC Benefit Improvements	Community food security	\$50,000	Possible community partnership
New Hospital partnerships to be explored include: 1) a training center in the new hospital to accommodate the nursing training program and CNA local high school and RN program. 2) Childcare Center in the hospital.	UAA training for nursing training program and CNA for high school and RN program; 2) Community childcare center.	\$TBD with design work	Pending exploration of partnerships with UAA and others



## Pending Opportunities – Operational Initiatives and Analysis

Opportunity	Description
Overall Volumes	Gradual return to pre-COVID levels
Home Health	Continued growth anticipated
Clinic	Expanded Schedule (evenings and weekends)
340b	Discount Prescription Drug Program
Denials Management	Focus on avoidable denials
Cost Report	Revisiting benefits for critical access hospitals such as time studies
ER Levels	Review/update levels and ensure appropriate coding
Clinic Levels	Review/update levels and ensure appropriate coding
Charge Capture	Verification that services are identified and charged for via CDM review and conversion to Cerner
Contract Labor Utilization	Evaluation of use of travelers and related expenses such as housing.
Accounting for Cerner	FY21 Expense vs FY22 Expense
LTC Rate Setting	Future Year Upside if Unable to fill Beds in FY22
Position Control Evaluation	Department by department review of salaries and FTE's
Bed Designation Status	
Rural Health Center Designation	



## The Budget at a Glance – Helpful Hints

Please consider the following helpful hints in reviewing the accompanying financial information:

- The FY21 Baseline is included for analytical review purposes. For net revenue, the baseline is May, 2021 year to date with an estimate for June volumes. Expenses, which are generally fixed, assume the year to date trend through February 28, 2021 annualized through June 30, 2021. In other words, expenses are February 28, 2021 year to date, divided by 8 and multiplied by 12.
- “Variances” compare the FY22 Budget to the FY21 Baseline. Negative variances indicate that revenues are budgeted to decrease or expenses are budgeted to increase. Positive variances indicate that revenues are budgeted to increase or expenses are budgeted to decrease.
- This presentation includes summary financial and statistical information which is supported by many detailed schedules such as departmental budgets, comparative analyses and system reports.



## The Budget at a Glance – The Highlights

- Conservative, “break-even” budget with bottom line of \$55,439.
- Volumes are assumed to remain at least at current levels with some increases anticipated for returning to pre-COVID levels by the third quarter – January, 2022. Long-term care budgeted to increase census by 1 resident per quarter.
- Estimated Federal Provider Relief of \$ 1,000,000
- Investment in capital equipment of \$200,000
- Cash flow from operations of \$715,492
- Estimated Cash on Hand at 06/30/22 of \$8,492,658 or 171 Days (all sources)

Note: Cash flow does not consider \$2.3M lump sum due from Medicare for mid-year rate setting which will be final settled with FY21 cost report filing in November, 2021.



## The Budget at a Glance – Risks & Opportunities

### Risks

The primary risks relate to the COVID-19 pandemic

- Volumes are slower to resume than anticipated
- Volumes return but are lower than pre-COVID levels
- Special area of concern is LTC volume
- Lack of or lower level of Federal/State support than estimated
- Impact on staff resulting in resignations, extended leave or illness. This would likely decrease “depth” of staffing complement and result in higher contract labor costs.
- Economic events impacting investment income.

Other risks which are typical in any budget are unknown regulatory changes in reimbursement, staff turnover with providers, unforeseen expense increases, etc.



### **Opportunities**

A primary opportunity is that volumes return faster than expected.

Other opportunities identified during COVID-19 pandemic

- Expansion of telehealth services with reimbursement
- Expansion of home health services
- Demonstration projects to deliver quality care in innovative ways
- Efficiencies of teleworking

Opportunities identified during operational reviews

- 340b drug program
- Net revenue optimization – reduction of lost charges and avoidable write-offs, ER level review
- Position control, FTE monitoring and productivity analysis

Other

- Grant opportunities



# Petersburg Medical Center – FY22 Budget

## The Budget at a Glance – Summary Financials

	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY21 Baseline	FY22 Budget	\$ Var	% Var
Operating revenue								
1. Net patient revenue	13,766,365	15,113,711	14,944,771	14,179,470	15,287,065	17,129,292	1,842,227	12.1%
2. Government relief	-	-	1,405,042	3,800,000	4,312,634	1,000,000	(3,312,634)	-76.8%
3. USAC/PERS	681,997	986,332	828,740	747,321	1,111,545	1,111,545	-	0.0%
4. Grant revenue	25,869	227,638	860,112	165,000	3,871,735	255,000	(3,616,735)	-93.4%
5. Other revenue	94,502	77,338	124,114	23,736	772,665	245,035	(527,630)	-68.3%
6. Total operating revenue	14,568,732	16,405,019	18,162,779	18,915,527	25,355,644	19,740,872	(5,614,772)	-22.1%
Expenses								
7. Salaries, benefits & contract	11,121,993	12,292,480	12,030,759	14,125,321	15,701,988	14,606,075	1,095,913	7.0%
8. Other expenses	4,150,919	4,518,483	5,213,771	4,839,909	8,672,067	5,324,705	3,347,362	38.6%
9. Total expenses	15,272,912	16,810,963	17,244,530	18,965,230	24,374,054	19,930,780	4,443,274	18.2%
10. Non-operating revenue	153,498	155,393	59,466	74,290	862,448	245,347	(617,101)	-71.6%
11. Total income (loss)	(550,683)	(250,550)	977,715	24,587	1,844,038	55,439	(1,788,598)	97%

*HHS relief is estimated at \$1M for FY22. It is likely that actual will differ from estimated.*





# Petersburg Medical Center – FY22 Budget

## The Budget at a Glance – Cash Flow

The FY22 cash flow generated by operations & investments will fund the \$200,000 capital budget with the remaining cash generated and existing reserves to fund capital lease payments.

We have assumed that all Medicare and Blue Cross advances will be repaid by the end of FY22.

**Estimated days of Operating cash on hand at the end of FY22 is 95.**

**Estimated Days of Total Cash & Investments on Hand at the end of FY22 is 171.**

**Lump sum of \$2.3M due from Medicare not included**

1. Cash - Beginning of Year	11,601,811
2. FY22 Bottom Line	55,439
3. Add Back: Depreciation	660,055
4. Cash provided by operations & investments	715,494
5. Cash required for Capital and Debt	
6.     Capital acquisitions	(200,000)
7.     Repayment of Medicare COVID advance	(3,496,823)
8.     Repayment of Blue Cross COVID advance	(52,000)
9.     Repayment of capital leases	(75,824)
10. Total Cash Required for Capital & Debt	(3,824,647)
11. Cash - Net Change	(3,109,153)
12. Cash - End of Year	8,492,658
<b>Cash Balances</b>	
13. Operating Cash & Investments	4,705,509
14. Long-term Investments	3,787,149
15. Total	8,492,658
<b>Days Cash on Hand</b>	
16. Operating Cash & Investments	95
17. Long-term Investments	76
18. Total	171

# Petersburg Medical Center – FY22 Budget

## Budget Assumptions – Revenues

### All Patient Revenue Categories

- Overall price increase of 10% was budgeted for FY22. Prior year rate increases have been applied to various departments with across the board increases of 5% in FY20 and FY21. In some prior years, little to no rate increases were made.
- Once again volumes were difficult to predict as historical metrics were skewed due to COVID and uncertainty remains on when volumes will return to pre-COVID levels. Departmental volumes were estimated based on a review of data available, discussion with department heads and a final review of volumes as of May 31, 2021.

### Inpatient Revenue

- Inpatient revenue is budgeted for \$4,200,000 in FY22 which is a \$309,000 or 7.8% increase from the FY21 baseline. The patient day volumes for acute care and swing bed were developed assuming an average daily census of 0.84 and 2.2, respectively.



# Petersburg Medical Center – FY22 Budget

## Budget Assumptions – Revenues

### Outpatient Revenue

- Total Outpatient Revenue is budgeted for \$12,350,000 which is 7.8% or \$898,000 higher than the baseline.
- Physical Therapy is showing a 39% decrease in volume due to anticipated vacancies in provider positions and ongoing challenges of filling permanent positions.

### Long-term Care

- Long-term Care Revenue is budgeted for \$3,998,115 which is a \$1,219,458 increase over the FY21 baseline. Census is budgeted at 10.5 for the year which assumes one additional resident by July 1 and an additional resident each quarter through the end of FY22.

### Other and Non-operating Revenue

- Zero-based or FY21 baseline where appropriate.
- Investment income is budgeted at \$250,000 which is a 6.75% return on investments. This is very conservative when comparing to FY21 performance \$861,000 but moderately better than actual performance of approximately \$165,000 in two of three prior years.



# Petersburg Medical Center – FY22 Budget

## Budget Assumptions – Deductions from Revenue – Contractual Adjustments

Deductions from Revenue represent the amount of gross revenue that we do not collect from insurance companies and patients.

### **Contractual Adjustments**

Contractual adjustments are the amounts that we charge for services that are not reimbursed by insurance companies or other payors such as Medicare or Medicaid.

For FY22, contractual adjustments have been budgeted at \$2,600,000 or 14% of Gross Patient Revenue.

- Using our own historical experience, we determined a % for each major category of payors and adjusted for the impact of our price increases.
- These percentages were applied to the FY22 gross revenue budget assuming the same payor mix in FY22 as we have trended in FY21.



# Petersburg Medical Center – FY22 Budget

## Budget Assumptions – Deductions from Revenue – Bad Debt & Charity

### Bad Debt

Bad debt represents the amounts that we write-off because a patient has not responded to collection efforts by paying the balance in full, establishing a payment plan or completing a charity application.

Bad Debt Expense is budgeted at \$300,000 in FY22 which is 1.5% of Gross Revenue. The national average for Bad Debt Expense for Critical Access Hospitals published in a 2017 article in the Healthcare Financial Management Journal was 3.44%.

### Charity and Other

Charity care represents the amounts that we write-off for services rendered to patients who meet our charity care guidelines and demonstrate that through an application and approval process. Other deductions represent administrative, untimely filing, denials and small balance adjustments.

Charity and Other Deductions for FY22 are budgeted at 2.8% of Gross Patient Revenue as follows:

Charity	190,332
Other	<u>385,720</u>
Total	<u>576,052</u>

***Total Deductions from Revenue are budgeted at 17% of Gross Revenue in FY22.  
This means that, on average, we expect to collect \$83 of every \$100 we charge.***



# Petersburg Medical Center – FY22 Budget

## Budget Assumptions – Expenses

### Salaries and Benefits

As is the case with every hospital, Salaries and Benefits make up the largest percentage of total expenses. Critical Access hospitals typically have a higher percentage of salary costs due to the minimum staff requirements, difficulty in “staffing down” and lower cost base in other areas. Alaska municipal affiliated organizations subject to PERS have a higher percentage of employee benefit costs as well due to the 22% contribution rate.

For FY22, salaries and benefits are budgeted at 70.2% of total expenses. When combined with contract labor, total compensation and benefits as a percent of total expense is 74.4%.

Global Assumptions for salaries include:

- 2.0% general wage increase and one step change. Effective increase is on average 2.2%
- Other increases based on contractual obligations and hire agreements (e.g. physicians)
- Full staffing less 2% vacancy rate.
- General decrease of \$750k in salaries due to reduced need for emergency hires, COVID related overtime and vacancies. Any grants awarded will be performed with existing staffing complement.



# Petersburg Medical Center – FY22 Budget

## Budget Assumptions – Expenses

### Salaries and Benefits

Assumptions for employee benefits:

- PERS – 22% of wages plus PERS in-kind estimate
- Health Insurance – Employers' portion of premium based on open enrollment. Rates did not increase in FY22.

	Premium	%
Total	\$1,681,708	100
Employee	<u>511,964</u>	<u>30</u>
Employer	<u>\$1,169,744</u>	<u>70</u>

- Worker's Compensation – Zero-based on quote from broker
- Other Benefits were budgeted at a historical percentage of Salaries & Wages



# Petersburg Medical Center – FY22 Budget

## Budget Assumptions – Expenses

	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY20 Baseline	FY22 Budget	\$ Variance	% Variance
<b>Salaries &amp; Benefits</b>								
1. Salaries	7,634,617	7,964,987	9,459,885	9,527,335	10,634,474	9,693,646	940,828	8.8%
2. Benefits	2,682,978	3,130,021	1,735,676	3,798,486	4,268,807	4,015,914	252,893	5.9%
3. Total Salaries & Benefits	10,317,595	11,095,008	11,195,561	13,325,821	14,903,281	13,709,560	1,193,721	8.0%
4. Salaries/Benefits as % of Total Expenses	67.6%	66.0%	64.9%	70.3%	61.1%	68.8%	-7.6%	-12.5%
5. Employee Benefits as a % of Salaries	35.1%	39.3%	18.3%	39.9%	40.1%	41.4%	-1.3%	-3.2%
<b>Total Staffing Costs</b>								
6. Salaries and Benefits	10,317,595	11,095,008	11,195,561	13,325,821	14,903,281	13,709,560	1,193,721	8.0%
7. Contract Labor	804,398	1,197,472	835,198	799,500	798,707	896,515	(97,809)	-12.2%
8. Total Staffing Costs	11,121,993	12,292,480	12,030,759	14,125,321	15,701,988	14,606,075	1,095,913	7.0%
9. Total Expenses	15,272,912	16,810,963	17,244,530	18,965,230	24,374,054	19,930,780	4,443,274	18.2%
10. Total Staffing Costs as % of Total Expenses	72.8%	73.1%	69.8%	74.5%	64.4%	73.3%	-8.9%	-13.8%

*Budget assumes a general decrease in salaries of \$750k and related benefits due to wind down of emergency hires, reduction of overtime, and vacancies.*





# Petersburg Medical Center – FY22 Budget

## Budget Assumptions – Expenses

<b>Employee Benefits</b>		FY18	FY19	FY20	FY21	FY21	FY22	\$	%
		Actual	Actual	Actual	Budget	Baseline	Budget	Variance	Variance
1.	Salaries & Wages	7,634,617	7,964,987	9,459,885	9,527,335	10,634,474	9,693,646	940,828	9.7%
2.	Employee Benefits	2,682,978	3,179,119	4,515,517	3,798,486	4,268,807	4,015,914	252,893	6.3%
3.	Employee Benefits %	35.1%	39.9%	47.7%	39.9%	40.1%	41.4%		
4.	PERS	1,526,452	1,860,189	3,037,027	2,240,972	2,591,907	2,362,602	229,305	9.7%
5.	Pers %	20.0%	23.4%	32.1%	23.5%	24.4%	24.4%		
6.	Health Insurance	845,246	989,774	1,078,267	1,144,744	1,095,047	1,169,744	(74,697)	-6.4%
7.	Health Insurance %	11.1%	12.4%	11.4%	12.0%	10.3%	12.1%		
8.	Worker's Comp	132,795	119,565	129,446	162,152	205,444	138,460	66,984	48.4%
9.	Worker's Comp %	1.7%	1.5%	1.4%	1.7%	1.9%	1.4%		
10.	Unemployment	-	-	18,952	5,843	7,440	6,782	658	9.7%
11.	Unemployment %	0.0%	0.0%	0.2%	0.1%	0.1%	0.1%		
12.	FICA/Medicare	149,664	164,184	191,761	192,713	231,019	210,580	20,438	9.7%
13.	FICA/Medicare %	2.0%	2.1%	2.0%	2.0%	2.2%	2.2%		
14.	Life Insurance	-	1,678	-	2,000	-	2,000	(2,000)	-100.0%
15.	Life Insurance %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
14.	Employee Physicals	28,821	25,444	35,814	50,062	105,055	95,761	9,294	9.7%
15.	Empl Physicals %	0.4%	0.3%	0.4%	0.5%	1.0%	1.0%		
14.	Other Benefits	-	18,284	24,249	-	32,896	29,986	2,910	9.7%
15.	Other Benefits %	0.0%	0.2%	0.3%	0.0%	0.3%	0.3%		



# Petersburg Medical Center – FY22 Budget

## Budget Assumptions – Expenses

### Supplies

Historically PMC has recorded all supplies within the category of “Medical Supplies.” Last year, during the FY21 budget process, we reviewed the underlying detail to better categorize expenses between Medical, Office and Non-medical supplies which will allow better analysis and budgeting with regard to variable supplies. For FY22, we budgeted historical levels of supplies which effectively takes into account a decrease in some departments due to volume and any offsetting price increases that may occur. We have also historically recorded specialty infusion drugs, which are extremely high dollar, within the drugs and pharmaceuticals category. Beginning in FY21, we began tracking these in a separate account to facilitate analysis and review.

### Rentals and Leases

This expense is primarily corporate housing for contract travelers and temporary housing for new staff. The budget is developed based on current inventory of existing leases and contract staffing budget assumptions on a departmental level.

### Depreciation and Amortization

The depreciation budget is comprised of depreciation on the fixed assets in service at June 30, 2021 plus estimates for projects in progress that will be placed into service during FY22 as well as estimates on depreciation for new capital equipment.

### All Other Expenses

All other expenses were zero-based and are supported by underlying detail such as departmental budget workbooks or were developed using historical information when appropriate.



# Petersburg Medical Center – FY22 Budget

## Income Statement – Operating Revenue

	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY21 Baseline	FY22 Budget	\$ Variance	% Variance
<i>Gross Patient Revenue:</i>								
1. Inpatient	\$3,369,892	\$3,360,190	\$3,796,930	\$3,348,409	\$ 3,933,503	\$4,242,110	\$308,607	7.8%
2. Outpatient	9,952,825	10,990,828	11,053,378	10,692,021	11,451,267	12,349,688	898,421	7.8%
3. Long-term Care	3,901,846	3,832,096	3,750,570	3,988,002	2,778,657	3,998,115	1,219,458	43.9%
4. <b>Total gross patient revenue</b>	<b>17,224,563</b>	<b>18,183,113</b>	<b>18,600,878</b>	<b>18,028,432</b>	<b>18,163,427</b>	<b>20,589,913</b>	<b>2,426,486</b>	<b>13.4%</b>
<i>Deductions from Revenue:</i>								
5. Contractual adjustments	1,969,546	1,725,058	3,141,250	3,131,693	2,015,174	2,584,385	(569,211)	-28.2%
6. Prior year settlements	0	305,530	0	0	-	0	0	n/a
7. Bad debt expense	966,583	593,257	27,804	100,587	264,807	300,183	(35,376)	-13.4%
8. Charity and other deductions	522,070	445,557	487,053	616,682	596,380	576,052	20,328	3.4%
9. <b>Total deductions from revenue</b>	<b>3,458,199</b>	<b>3,069,402</b>	<b>3,656,107</b>	<b>3,848,961</b>	<b>2,876,362</b>	<b>3,460,620</b>	<b>(584,259)</b>	<b>-20.3%</b>
	20%	17%	20%	21%	16%	17%		
10. <b>Net patient revenue</b>	<b>13,766,365</b>	<b>15,113,711</b>	<b>14,944,771</b>	<b>14,179,470</b>	<b>15,287,065</b>	<b>17,129,292</b>	<b>1,842,227</b>	<b>10.8%</b>
<i>Other Revenue</i>								
11. Inkind Service - PERS/USAC	681,997	986,332	828,740	747,321	1,111,545	1,111,545	0	0.0%
12. Grant revenue	25,869	227,638	860,112	165,000	3,871,735	255,000	(3,616,735)	-93.4%
13. Federal & State Relief	-	-	1,405,042	3,800,000	4,312,634	1,000,000	(3,312,634)	-76.8%
14. Other revenue	94,502	77,338	124,114	23,736	772,665	245,035	(527,630)	-68.3%
15. <b>Total other operating revenue</b>	<b>802,367</b>	<b>1,291,308</b>	<b>3,218,008</b>	<b>4,736,057</b>	<b>10,068,579</b>	<b>2,611,580</b>	<b>(7,456,999)</b>	<b>-74.1%</b>
16. <b>Total operating revenue</b>	<b>14,568,732</b>	<b>16,405,019</b>	<b>18,162,779</b>	<b>18,915,527</b>	<b>25,355,644</b>	<b>19,740,872</b>	<b>(5,614,772)</b>	<b>-22.1%</b>



# Petersburg Medical Center – FY22 Budget

## Income Statement - Expenses & Nonoperating Revenue

	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY21 Baseline	FY22 Budget	\$ Variance	% Variance
<i>Expenses:</i>								
17. Salaries and wages	7,634,617	7,964,987	9,459,885	9,527,335	10,634,474	9,693,646	940,828	8.8%
18. Contract Labor	804,398	1,197,472	835,198	799,500	798,707	896,515	(97,809)	-12.2%
19. Employee benefits	2,682,978	3,130,021	1,735,676	3,798,486	4,268,807	4,015,914	252,893	5.9%
20. Supplies	927,601	1,356,576	1,400,127	1,368,215	1,253,616	1,087,709	165,907	13.2%
21. Purchased services	1,007,134	1,049,680	1,290,402	943,317	1,820,574	1,394,085	426,489	23.4%
22. Repairs and maintenance	195,232	277,239	502,862	530,221	2,631,097	497,497	2,133,600	81.1%
23. Minor equipment	90,792	129,572	124,181	120,738	896,375	146,443	749,932	83.7%
24. Rentals and leases	0	0	134,937	139,600	176,021	199,948	(23,927)	-13.6%
25. Utilities	527,435	551,522	612,884	599,280	813,871	815,094	(1,223)	-0.2%
26. Training and travel	132,845	156,161	117,304	238,833	67,515	81,335	(13,820)	-20.5%
27. Depreciation	658,752	704,282	692,699	712,835	655,075	660,055	(4,980)	-0.8%
28. Insurance	102,098	109,567	98,131	33,230	129,847	133,718	(3,872)	-3.0%
29. Other operating expense	509,031	183,884	240,244	153,640	228,076	308,820	(80,744)	-35.4%
30. <b>Total expenses</b>	<b>15,272,912</b>	<b>16,810,963</b>	<b>17,244,530</b>	<b>18,965,230</b>	<b>24,374,054</b>	<b>19,930,780</b>	<b>4,443,274</b>	<b>18.2%</b>
31. <b>Income (loss) from operations</b>	<b>(704,180)</b>	<b>(405,943)</b>	<b>918,249</b>	<b>(49,703)</b>	<b>981,590</b>	<b>(189,908)</b>	<b>(1,171,497)</b>	<b>-119.3%</b>
<i>Nonoperating Gains(Losses):</i>								
32. Investment income	165,710	164,904	51,966	75,000	860,920	250,000	(610,920)	-71.0%
34. Interest expense	(14,625)	(10,126)	(5,089)	(710)	(939)	(7,153)	(6,214)	-662.0%
35. Gain (loss) on disposal of assets	0	0	0	0	0	0	0	n/a
36. Other non-operating revenue	2,413	616	12,589	0	2,467	2,500	33	1.3%
37. <b>Net nonoperating gains (losses)</b>	<b>153,498</b>	<b>155,393</b>	<b>59,466</b>	<b>74,290</b>	<b>862,448</b>	<b>245,347</b>	<b>(617,101)</b>	<b>-71.6%</b>
38. <b>Change in Net Position (Bottom Line)</b>	<b>(\$550,683)</b>	<b>(\$250,550)</b>	<b>\$977,715</b>	<b>\$24,587</b>	<b>\$1,844,038</b>	<b>\$55,439</b>	<b>(\$1,788,598)</b>	<b>-97.0%</b>



# Petersburg Medical Center – FY22 Budget

## Volumes

	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY21 Baseline	FY22 Budget	\$ Variance	% Variance
<b><i>Hospital Inpatient</i></b>								
1. Patient Days - Acute	343	303	323	306	283	306	23	8.1%
2. Patient Days - Swing Bed	1,051	872	1,168	900	768	800	32	4.2%
3. Patient Days - Total	1,394	1,175	1,491	1,206	1,051	1,106	55	5.2%
4. Average Daily Census - Acute	0.9	0.8	0.9	0.8	0.8	0.8	0.1	8.1%
5. Average Daily Census - Swing	2.9	2.4	3.2	2.5	2.1	2.2	0.1	4.2%
6. Average Daily Census - Total	3.8	3.2	4.1	3.3	2.9	3.0	0.2	5.2%
7. Percentage of Occupancy - Total	31.8%	26.8%	33.9%	27.5%	24.0%	25.3%	1.3%	5.2%
<b><i>Long Term Care</i></b>								
8. Resident Days	4,802	4,396	4,140	4,196	2,928	3,830	902	30.8%
9. Average Daily Census	13.2	12.0	11.3	11.5	8.0	10.5	2.5	30.8%
10. Percentage of Occupancy	87.7%	80.3%	75.4%	76.6%	53.5%	70.0%	16.5%	30.8%
11. Emergency Room Visits	773	728	673	594	648	730	82	12.7%
12. Radiology Procedures	2,017	2,130	2,098	1,902	2,019	2,100	81	4.0%
13. Lab Tests	28,153	27,803	26,526	24,906	30,396	27,500	(2,896)	-9.5%
14. Rehab Services Units	11,684	10,230	10,998	7,419	7,814	8,304	490	6.3%
15. Outpatient Treatment Room	647	700	751	700	550	700	150	27.3%
16. Home Health Visits	1,145	1,592	1,404	1,800	3,069	3,200	131	4.3%
17. Clinic Visits	9,674	9,653	10,339	9,453	10,033	9,453	-580	-5.8%



# Petersburg Medical Center – FY22 Budget

## Financial Indicators

	<b>FY18 Actual</b>	<b>FY19 Actual</b>	<b>FY20 Actual</b>	<b>FY21 Budget</b>	<b>FY21 Baseline</b>	<b>FY22 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
1. Contractual Adj. as a % of Gross Revenue	11.4%	9.5%	16.9%	17.4%	11.1%	12.6%	-1.5%	-13.1%
3. Bad Debt as a % of Gross Revenue	5.6%	3.3%	0.1%	0.6%	1.5%	1.5%	0.0%	0.0%
2. Charity/Other Ded. as a % of Gross Revenue	3.0%	2.5%	2.6%	3.4%	3.3%	2.8%	0.5%	14.8%
4. Total Deductions as a % of Gross Revenue	20.1%	16.9%	19.7%	21.3%	15.8%	16.8%	-1.0%	-6.1%
5. Operating Margin	-4.8%	-2.5%	5.1%	-0.3%	3.9%	-1.0%	-4.8%	124.8%
6. Total Margin	-3.7%	-1.5%	5.4%	0.1%	7.0%	0.3%	-6.8%	96.1%



# Petersburg Medical Center – FY22 Budget

## Capital

Due to the Cerner Implementation during FY22, PMC is not planning to undertake additional capital projects or to fund capital acquisitions. To address unforeseen needs, we recommend a general contingency of \$200,000 for FY22 capital acquisitions.

We are currently finalizing the expected capital related expenditures for the Cerner project and expect that operating funds and various grants will be sufficient to cover the capital related components of the project. Details will be reported in the monthly financial package capital reporting section.



**Thank you!**  
**Questions**

